



MONTGOMERY COUNTY ETHICS COMMISSION

Steven Rosen
Chair

Kenita V. Barrow
Vice Chair

May 3, 2018

Waiver 18-04-009

Thomas Hucker
County Councilmember
100 Maryland Avenue
Rockville, MD 20850

Dear Councilmember Hucker:

For the reasons stated below, the Ethics Commission grants your request for a waiver to allow you work on matters affecting Amazon Corporation ("Amazon").

You own 11 shares of Amazon common stock with a value currently of under \$18,000. Amazon, headquartered in Seattle, Washington, is a publicly traded company with a market capitalization of approximately 740 billion dollars, one of the top five biggest companies in the world by market capitalization. Pursuant to § 19A-11(c)(3) of the County Code, you have an "economic interest" in Amazon.

Section 19A-11(a)(1) of the County Code prohibits employees from working on a matter that affects (in a manner distinct from its effects on the public generally) a business in which the employee or a relative of an employee has an economic interest. You have requested a waiver of this restriction pursuant to Montgomery County Code § 19A-8 so that you may participate in matters that may affect Amazon. In particular, Amazon is considering locations for a second headquarters for the company. According to news reports, Montgomery County is one of 20 finalists under consideration for the location of the Amazon second headquarters. A waiver would allow you to be involved in the County's activities related to Amazon's consideration of Montgomery County as a headquarters location.

Amazon conducts wide ranging business enterprises. Its 2016 Annual Report states:

Our primary source of revenue is the sale of a wide range of products and services to customers. The products offered on our consumer-facing websites primarily include merchandise and content we have purchased for resale from vendors and those offered by third-party sellers, and we also manufacture and sell electronic devices. Generally, we recognize gross revenue from items we sell from our inventory as product sales and recognize our net share of revenue of items sold by third-party sellers as service sales. We also offer other services such as compute, storage, and database offerings, fulfillment, publishing, certain digital content subscriptions, advertising, and co-branded credit cards.

Section 19A-8 provides that the Commission may grant to a public employee a waiver if it finds that:

- (1) the best interest of the County would be served by granting the waiver;
- (2) the importance to the County of a public employee . . . performing official duties outweighs the actual or potential harm of any conflict of interest; and
- (3) granting the waiver will not give a public employee or class of employees an unfair economic advantage over other public employees or members of the public.

The Ethics Commission finds that the best interest of the County would be served by granting the waiver. In your capacity as a County Councilmember, the County has an interest in your being involved in matters relating to Amazon's consideration of Montgomery County as a location for its second headquarters.

Also, the actual or potential harm of the conflict of interest is minimal. While the value of shares you own is not insignificant, it is miniscule in relation to the overall outstanding common stock of the Company. Given the scope of Amazon's overall business enterprise and the limited nature of your holdings, it is difficult to imagine that your work on the matter could have any effect on your stock holdings. If, in the unlikely event there was some effect, that effect would be insignificant and immeasurable. The Commission believes that no reasonable person could question your impartiality or objectivity as a consequence of your holding of Amazon shares. Accordingly, the Commission can see no unfair economic advantage that you would obtain over other public employees or members of the public as a result of its granting this waiver.

This waiver is conditioned on neither you or your spouse purchasing or directing any person to purchase Amazon shares on your behalf.

The Ethics Commission has relied on the representations made in your request in granting this waiver.

For the Commission,



Steve Rosen, Chair